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ACTU welcomes Labor's plan to crack down on worker exploitation

The Australian Council of Trade Unions today welcomed Federal Labor's plan to tackle worker exploitation.

ACTU Secretary Dave Oliver said the examples of 7-Eleven, Myer and Pizza Hut were symptomatic of a wider problem of systemic underpayment of staff and exploitation of workers.

"The high profile cases we have seen in recent months are only the tip of the iceberg. At any point in time, unions are engaged in dozens of legal fights with unscrupulous employers who have underpaid staff or tried to avoid honouring workers' entitlements.

"We welcome the alternative Government's plan to increase penalties for employers, ramp up worker protections from sham contracting, increasing the powers of the Fair Work Ombudsman and better protect vulnerable overseas workers," Mr Oliver said.

"We strongly support lifting the corporate veil and making company directors personally liable for ensuring workers' pay in cases where companies are Phoenixed, in the same way they already are for unpaid Superannuation. This is a significant and long-called for policy that will protect workers from this unscrupulous, but increasingly common practice.

"We also note substantial cases of employers engaged in sham contracting, shifting permanent staff into contract based roles in order to avoid paying appropriate entitlements. We hope a Labor Government would pay particular attention to these practices.

"Bill Shorten has committed to further consulting on increased penalties and the ACTU stands ready to engage with Labor on that discussion."

Mr Oliver said Federal Labor's announcement filled the vacuum created by the Turnbull Government's silence on these issues.

"The response of the Turnbull Government to these issues has been slow and insufficient, in stark contrast to the way they have continued attacks on labour organisations.

"Where is the Royal Commission into Corporate Corruption and Underpayment of Staff which is far more prevalent than anything Dyson Heydon dug up in more than a year of investigations?"

He said instead of looking to rip money out of Australian workers' pay packets through cuts to penalty rates proposed by employer groups through the Productivity Commission, the Turnbull Government should adopt the policy released today by Bill Shorten.

"It is high time that the Turnbull Government divorced itself from the Productivity Commission's recommendations to cut penalty rates.

"If they are as genuinely concerned for 'fighting for a better deal for workers' as Minister Cash herself has stated, then they should resist any moves to cut pay through changes to penalty rates.

"These recommendations are out of step with Australian values, out of touch with the modern lives of working people, and would compromise future economic and productivity growth."

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